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# State of Utah Department of Commerce

## Division of Securities

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### NEWS RELEASE

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#### **Washington County Man Accused of Nevada Real Estate Investment Scam** ***Wright promised 300% profit in just two months ...***

**SALT LAKE CITY, Utah** – The Utah Division of Securities today issued an Order to Show Cause against Kevin Lawrence Wright of Washington County, Utah. The Order to Show Cause alleges that Wright took a \$100,000 investment from an investor to purchase three properties in Nevada. The Division alleges that in return, Wright promised to pay the investor \$399,000 at the end of the next month.

According to the Order, Wright told the investor that Wright was purchasing three different properties in Clark County, Nevada and needed \$100,000 to complete the purchase. Wright promised to pay the investor \$399,000 six weeks later. Wright also said that if he needed to use the \$100,000 for an additional 30 days, he would pay the investor an additional \$90,000 in profit, for a total of \$489,000. Wright promised the investor that if the money was not repaid by that time, he would transfer ownership of the three properties to the investor. The investor gave \$100,000 to Wright and received three promissory notes and trust deeds for the properties being purchased.

The Division alleges that when soliciting the investment, Wright misrepresented that he would be buying properties and that he was able to pay the high profits promised. In fact, Wright did not purchase any of the properties he showed to the investor. One of the properties listed in the promissory note does not even exist. Wright failed to disclose that he was in severe financial distress: he had three outstanding civil judgments against him totaling \$327,225 and owed \$108,765 to the Utah State Tax Commission based on six tax liens filed against him. Eventually, Wright repaid \$25,000 to the investor. At that time, Wright admitted he had not purchased the properties.

This is not the first time Wright has been accused of real estate investment fraud. In February 2006, the Division issued an Order to Show Cause against Wright for taking money from an investor in connection with a Bluffdale home purchased in the name of an investor. Criminal charges were filed against Wright for the Bluffdale scheme in March, 2006. Wright pleaded guilty in July and was sentenced in September.

The Order to Show Cause accuses Wright of making misrepresentations and of failing to give full disclosure of important information to the investor. Wright is also alleged to have engaged in fraudulent practices by providing the investor with false trust deeds, to create the appearance that the investor had a security interest in certain properties. A hearing is set for March 5 to give Wright an opportunity to contest the Division's allegations.